

**House Study Bill 55 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR'S OFFICE  
OF DRUG CONTROL POLICY  
BILL)

**A BILL FOR**

1 An Act relating to the excise tax on unlawful dealing in  
2 certain substances by adding new taxable substances and tax  
3 rates, modifying the taxation and rates of currently taxable  
4 substances, and making penalties applicable.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 453B.1, subsection 3, paragraph a, Code  
2 2013, is amended by adding the following new subparagraphs:

3 NEW SUBPARAGRAPH. (5) One or more grams of an imitation  
4 controlled substance or a controlled substance listed in  
5 section 124.204, subsection 4, paragraph "ai", or subsection 6,  
6 paragraph "i".

7 NEW SUBPARAGRAPH. (6) One or more dosage units of an  
8 imitation controlled substance or a controlled substance listed  
9 in section 124.204, subsection 4, paragraph "ai", or subsection  
10 6, paragraph "i", which is not sold by weight.

11 Sec. 2. Section 453B.1, Code 2013, is amended by adding the  
12 following new subsection:

13 NEW SUBSECTION. 6A. "*Imitation controlled substance*" means  
14 the same as defined in section 124A.2.

15 Sec. 3. Section 453B.1, subsection 10, Code 2013, is amended  
16 to read as follows:

17 10. "*Taxable substance*" means a controlled substance, a  
18 counterfeit substance, a simulated controlled substance, an  
19 imitation controlled substance, or marijuana, or a mixture of  
20 materials that contains a controlled substance, counterfeit  
21 substance, simulated controlled substance, imitation controlled  
22 substance, or marijuana.

23 Sec. 4. Section 453B.4, Code 2013, is amended to read as  
24 follows:

25 **453B.4 Measurements.**

26 For purposes of measurements under this chapter, the  
27 weight of a taxable substance shall be measured by its weight  
28 in metric grams in the dealer's possession. If a taxable  
29 substance consists of a mixture containing both marijuana and  
30 another substance or combination of substances listed in the  
31 definition of taxable substance in section 453B.1, the taxable  
32 substance shall be taxed under section 453B.7, subsection 2,  
33 unless the mixture contains a taxable substance listed in  
34 section 453B.1, subsection 3, paragraph "a", subparagraph  
35 (5), in which case the taxable substance shall be taxed under

1 section 453B.7, subsection 5.

2 Sec. 5. Section 453B.7, Code 2013, is amended to read as  
3 follows:

4 **453B.7 Tax imposed — rate of tax.**

5 An excise tax is imposed on dealers at the following rates:

6 1. On each gram of processed marijuana, or each portion of a  
7 gram, five eight dollars.

8 2. On each gram or portion of a gram of any taxable  
9 substance sold by weight other than marijuana, ~~two hundred~~  
10 fifty an imitation controlled substance, or a controlled  
11 substance listed in section 124.204, subsection 4, paragraph  
12 "ai", or subsection 6, paragraph "i", four hundred dollars.

13 3. On each unprocessed marijuana plant, ~~seven hundred fifty~~  
14 one thousand two hundred dollars.

15 4. On each ten dosage units of any taxable substance, other  
16 than unprocessed marijuana plants, an imitation controlled  
17 substance, or a controlled substance listed in section 124.204,  
18 subsection 4, paragraph "ai", or subsection 6, paragraph "i",  
19 that is not sold by weight, or portion thereof, ~~four~~ six  
20 hundred forty dollars.

21 5. On each gram or portion of a gram of an imitation  
22 controlled substance, or a controlled substance listed in  
23 section 124.204, subsection 4, paragraph "ai", or subsection 6,  
24 paragraph "i", that is sold by weight, one thousand two hundred  
25 dollars.

26 6. On each dosage unit of an imitation controlled substance,  
27 or a controlled substance listed in section 124.204, subsection  
28 4, paragraph "ai", or section 6, paragraph "i", that is not  
29 sold by weight, or portion thereof, one thousand two hundred  
30 dollars.

31 EXPLANATION

32 This bill relates to the excise tax on unlawful dealing in  
33 certain substances.

34 The bill adds imitation controlled substances, as defined  
35 in Code section 124A.2, to the list of taxable substances

1 and rates in Code section 453B.7, and amends the definition  
2 of "dealer" to include a person who ships, transports, or  
3 imports into this state or acquires, purchases, possesses,  
4 manufactures, or produces in this state one or more grams or  
5 dosage units of an imitation controlled substance.

6 The definition of "dealer" is also amended to lower from  
7 seven grams or 10 dosage units to one gram or one dosage  
8 unit, the threshold at which a person is labeled a "dealer"  
9 if that person ships, transports, or imports into this state  
10 or acquires, purchases, possesses, manufactures, or produces  
11 in this state a controlled substance listed in Code section  
12 124.204, subsection 4, paragraph "ai", (certain hallucinogenic  
13 substances), or subsection 6, paragraph "i", (certain  
14 stimulants).

15 The bill amends the rates of tax on dealers to tax imitation  
16 controlled substances and the controlled substances listed in  
17 Code section 124.204, subsection 4, paragraph "ai", (certain  
18 hallucinogenic substances), and subsection 6, paragraph "i",  
19 (certain stimulants), at \$1,200 per gram or dosage unit, and  
20 increases the other rates of tax as follows: On each gram  
21 of processed marijuana, from \$5 to \$8; on each unprocessed  
22 marijuana plant, from \$750 to \$1,200; on each gram of all other  
23 taxable substances, from \$250 to \$400; and on each 10 dosage  
24 units of all other taxable substances, from \$400 to \$640.

25 The bill also amends Code section 453B.4 to require that  
26 any mixture of taxable substances containing an imitation  
27 controlled substance or a controlled substance listed in  
28 Code section 124.204, subsection 4, paragraph "ai", (certain  
29 hallucinogenic substances), and subsection 6, paragraph "i",  
30 (certain stimulants), shall be taxed at \$1,200 per gram instead  
31 of \$400 per gram.

32 Under current law, dealers who violate Code chapter 453B are  
33 subject to the tax imposed in the Code chapter and a penalty  
34 equal to the tax. In addition, dealers who possess taxable  
35 substances without a tax stamp or who create counterfeit tax

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1 stamps or possess a previously used or expired tax stamp are  
2 guilty of a class "D" felony. A class "D" felony is punishable  
3 by confinement for no more than five years and a fine of at  
4 least \$750 but no more than \$7,500.